

TALKING POINTS

CHAIRMAN CFI

- PURPOSE OF THIS MEETING IS TO RESOLVE THE LAST REMAINING ISSUE IN OUR APPEAL TO THE SENATE OF HOUSE ACTION ON OUR 77 BUDGET.
- BEFORE I ASK [] TO ADDRESS THE PROBLEM, I WOULD LIKE TO OFFER A THOUGHT OR TWO ON HOW THIS, OUR FIRST MAJOR STAFF ACTION ON COMMUNITY RESOURCES, HAS GONE.
- FIRST, I THINK WE'VE DEMONSTRATED THAT THE CFI/ICS CONCEPT CAN WORK.
- SECOND, WE'VE SHOWN THAT WE ARE ABLE TO MESH WITH THE OVERALL DOD APPEALS PROCESS.
- THIRD, WE'VE BEEN ABLE TO ACCOMMODATE TO THE NEEDS OF ALL COMMUNITY MEMBERS, PRODUCING AN APPEAL THAT SPEAKS WITH THE SINGLE VOICE OF THIS COMMITTEE, GIVING THE CONGRESS THE BENEFIT OF A UNIFIED EXECUTIVE VIEW.

[NOTE: You may or may not want to express the opinion that the appeal, from a strategy viewpoint, may be a bit too high in terms of the total amount being appealed.]

- [] WOULD YOU LAY OUT THE ISSUE WE NEED TO RESOLVE AT THIS POINT SO WE CAN MAKE OUR DECISION AND GET THE APPEAL TO THE HILL.

TALKING POINTS

CFI MEETING - 14 JUNE 1976

- LETTER APPEALING HOUSE APPROPRIATIONS COMMITTEE ACTION ON FY 1977 BUDGET IS READY TO GO TO SENATOR MC CLELLAN.
- ONE POINT -- THE QUESTION OF A SEPARATE APPROPRIATION FOR IC STAFF AND ATTENDANT RESOURCES--REQUIRES RESOLUTION.
- WHILE THE LAWYERS ARE SORTING OUT THE LEGAL QUESTIONS, WE NEED TO DECIDE THE LEVEL OF RESOURCES NEEDED TO MAINTAIN AN IC STAFF.
- HAC HAS PROPOSED A SEPARATE [] APPROPRIATION FOR 25X1
THE IC STAFF [] 25X1
[]
- HAC ADMITTED THAT THE [] LEVEL WAS SET ARBITRARILY 25X1
AND SAID, IN ITS CLASSIFIED REPORT, THAT IT WOULD CONSIDER
INCREASING THE FY 77 AMOUNT BUT WOULD NOT YIELD ON THE
PRINCIPAL OF A SEPARATE APPROPRIATION (TAB B).

MUST TELL THEM

COS

- EO 11905 APPEARS TO OFFER NO IMPEDIMENT TO A SEPARATE APPROPRIATION. IN FACT, IT ANTICIPATED A "REALIGNMENT OF PERSONNEL POSITIONS" (p36 - TAB C).
- THE COMMUNITY AS A WHOLE IS BELOW THE MANNING LEVELS IN EXISTENCE AT THE TIME EO 11905 WAS ISSUED (TAB D).
- IT IS POSSIBLE THAT OVERALL MANNING WILL GO EVEN LOWER IF THE HAC CUT OF ☐ NSA AND ☐ CIA POSITIONS IS SUSTAINED. 25X1
MAY BE
THUS THERE ~~IS~~ ROOM TO ACCOMMODATE THE INCREASE REQUIRED FOR A SEPARATE ICS.
- THE EXACT AMOUNT OF THE INCREASE REQUIRED TURNS ON THE DEGREE OF INDEPENDENCE THE LAW ALLOWS. THE PROPOSED WORDING IN THE APPEAL LETTER (TAB E) IS DESIGNED TO COVER THE ALTERNATIVES. *MUST TELL THEM.*
- THE HAC REPORT CLEARLY COMMITS THE HOUSE TO A STRONG CFI SUPPORTED BY AN INDEPENDENT ICS. TO NOT TAKE ADVANTAGE OF THE HOUSE COMMITMENT COULD BE SEEN AS LESS THAN FULL INTENT TO IMPLEMENT THE EO ISSUED BY THE PRESIDENT.

[NOTE: IF THE QUESTION OF GETTING THE REQUESTED ADDITIONAL RESOURCES FROM CIA COMES UP, THE RESPONSE COULD BE THAT MANY OF THE ADDED POSITIONS ARE REQUIRED BECAUSE OF PHYSICAL AND ORGANIZATIONAL SEPARATION. THE QUESTION OF INTEGRATING THE NSC AND DEFENSE CFI RELATED STAFF WITH THE IC STAFF NEVER HAS BEEN AIRED.]

[NOTE: IF DEFENSE AND NSC SUCCEED IN THWARTING THE CFI MOVE TO BACK THE HOUSE POSITION, IT WILL GIVE THE HOUSE THE OPPORTUNITY TO DECLARE THE CFI INEFFECTIVE AND ABOLISH IT.]

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A

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gence. This is a useful change and should result in a more efficient use of intelligence dollars. The Committee fully supports this increase in budgetary control by the Director of Central Intelligence.

On May 14, 1971, the Deputy Secretary of Defense (Intelligence) announced important organizational changes in Department of Defense intelligence activities. These changes are complex, and it is too early to judge their effectiveness.

In addition to organizational changes, there have been many personnel changes in intelligence programs. The Director of Central Intelligence, the Deputy Secretary of Defense (Intelligence), and the Director of the Defense Intelligence Agency are all recent appointments. The Assistant Secretary of Defense (Intelligence) and other important intelligence positions remain vacant.

With all of these organizational and personnel changes, there is an unusual degree of uncertainty as to where the intelligence community is headed in the coming fiscal year. This uncertainty is compounded by the continuing debate in Congress as to how the Congress should organize itself to oversee intelligence activities. Under these circumstances, the Committee has chosen to recommend an intelligence budget which will provide for the continuation of vital intelligence activities but which will not result in major new commitments until the future scope and direction of intelligence activities is more certain.

SEPARATE APPROPRIATION FOR INTELLIGENCE COMMUNITY OVERSIGHT

The one subject on which there appears to be general agreement both in the Executive Branch and in the Congress is the need for additional intelligence community oversight. The President in his Executive Order recognized this need by strengthening the authority of the Director of Central Intelligence. One of the key institutions to aid the Director in exercising his increased powers is the Intelligence Community Staff. According to testimony before the Committee by the Director of Central Intelligence, the Intelligence Community Staff is to be strengthened and upgraded in importance. The Committee fully supports this change.

While the Intelligence Community Staff has existed since 1971, it has been criticized by some elements of the intelligence community as being dominated by the Central Intelligence Agency which provided all its funds and many of its key personnel. In an apparent move to counter this allegation, the Intelligence Community Staff will soon be moved from CIA headquarters into renovated space near the Executive Office Building. Many of the recent senior appointments to the Intelligence Community Staff are personnel from non-CIA elements of the intelligence community. These also seem to be appropriate changes.

Whether past allegations that the Intelligence Community Staff had a CIA bias are valid or not, the Committee concurs with the need to establish both the appearance and the reality of independence for the Intelligence Community Staff and the United States Intelligence Board. All elements of the intelligence community must believe the Intelligence Community Staff and the United States Intelligence Board are impartial and neutral in fact as well as in name.

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TITLE VIII
RELATED AGENCY

INTELLIGENCE COMMUNITY OVERSIGHT

As explained at length in the section of the Report concerning intelligence programs, the Committee has recommended the establishment of a new appropriation [redacted] for "Intelligence Community Oversight". These activities were previously funded in the Central Intelligence Agency budget. The new separate appropriation for "Intelligence Community Oversight" will give increased stature and independence to the Intelligence Community Staff and the United States Intelligence Board which will be funded from this appropriation. This should assure the vigorous oversight of the intelligence community which the Committee expects.

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Appendix A in this classified letter), the Committee fully supports a strengthened Intelligence Community Staff. If the proper amounts are identified to the Congress through the appropriate channels, the Committee would consider increasing this amount in 1977, although it will not yield on the principle of a separate public appropriation.

The third example concerns the activities of the Deputy Directorate for Operations of the Central Intelligence Agency. On the basis of two official committee trips to the Orient during the past year, which included conversations with CIA officials in seven countries, some Members of the Committee became concerned about the effectiveness of overseas operations of the CIA which are conducted primarily by the Deputy Directorate for Operations. The Committee on several occasions requested information on this Directorate, and still has not received completely adequate responses. Therefore, based upon the experiences in the Orient and the other information available, the Committee has made reductions of positions and in the 1977 budget for the Deputy Directorate for Operations. 25X1

With these three examples, and the examples from last year, it should be apparent that the Committee expects full responses to its requests for information. The Committee continues to have an unblemished record in its protection of this information, and on the basis of that record feels it is entitled to have the information, as defined by the Committee and not the Executive Branch, which it needs to provide effective oversight of intelligence programs. This is not to imply that the Executive Branch cannot or assert a right to refuse

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Sec. 8. Enabling Data.

(a) The Committee on Foreign Intelligence and the Director of Central Intelligence shall provide for detailed implementation of this Order by issuing appropriate directives.

(b) All existing National Security Council and Director of Central Intelligence directives shall be amended to be consistent with this Order within ninety days of its effective date.

(c) This Order shall supersede the Presidential Memorandum of November 5, 1971, on the "Organization and Management of the U.S. Foreign Intelligence Community."

(d) Heads of departments and agencies within the Intelligence Community shall issue supplementary directives to their organizations consistent with this Order within ninety days of its effective date.

(e) This Order will be implemented within current
manning authorizations of the Intelligence Community.

To this end, the Director of the Office of Management and Budget will facilitate the required realignment of personnel positions. The Director of the Office of Management and Budget will also assist in the allocation of appropriate facilities.

Herbert R. Ford

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EXTRACTED FROM CHAIRMAN'S LETTER TO MC CLELLAN:

Separate Congressional Appropriation for the Intelligence Community Staff. I agree with the basic concept of Title VIII of the House bill. However, the expenditure of funds appropriated under Title VIII could be subject to legal question since the Intelligence Community Staff is not a body created by statute or Executive Order. It has no separate authorization for expenditure of funds or for exercise of authorities granted under Sections 3, 4, 5 and 8 of the Central Intelligence Act as amended except through CIA. It would appear that a feasible alternative which would permit the independence of the Intelligence Community Staff at this time is to allocate a fixed amount of the CIA appropriation for expenditure by the DCI solely for the activities of the IC Staff and related matters.

In this instance, the appropriation for CIA in FY 1977 to fund ICS should be raised to [] with [] positions. If, however, an expedient is found to effect authorization separate from CIA then the Intelligence Community Staff would require an appropriation of approximately [] [] recommended by the House) and []

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TAB E

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